

**1BY-LAWS OF THE**  
**Pacific Palisades Business Improvement District**  
**A CALIFORNIA PUBLIC BENEFIT CORPORATION**

**ARTICLE 1**  
**OFFICES**

**Section 1. Principal Office:**

The principal office of the corporation for the transaction of its business is located in Los Angeles County, California and within the boundaries of the Pacific Palisades Business Improvement District, City of Los Angeles, California.

**Section 2. Change of Address:**

The County of the corporation's principal office can be changed only by amendment of these By-Laws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the Pacific Palisades Business Improvement District. Any such change shall be noted by the Secretary in these By-Laws, but shall not be considered an amendment of these By-Laws.

**ARTICLE 2**  
**PURPOSE**

**Section 1. Objectives and Purposes:**

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law exclusively for public educational and charitable purposes, within the meaning of Internal Revenue Code section 501 (c6) or the corresponding provision of any future United States internal revenue law. This corporation has been organized and shall operate exclusively to support and serve the Pacific Palisades Business Improvement District (hereinafter known as "Corporation") area of Pacific Palisades and its Community and shall be operated exclusively in connection with that purpose. The primary objectives and purposes of this corporation shall be:

- A) To help bring about the revitalization of the Pacific Palisades Business District of the City of Los Angeles.
- B) To bring about the investment of private and public capital within the Pacific Palisades Business District, City of Los Angeles
- C) To bring about the increased provision of quality public improvements and within the Pacific Palisades Business District and its surrounds for public benefit and charitable purposes.
- D) To bring about the increased economic well-being of residents, employees, and businesses within the Palisades Business District, City of Los Angeles and its surrounds.
- E) To promote improvement within the Palisades Business Improvement District, City of Los Angeles through activities which contribute to the economic and neighborhood well being of the Palisades Business Improvement District, City of Los Angeles.

In furtherance of these purposes the Corporation may administer and operate a Pacific Palisades property based business improvement district (the District) according to a final Management District

Plan the Corporation adopts from time to time (the "District MDP"). The Board of Directors of the Corporation ("Board") may deal directly with the City of Los Angeles to promote the interests of the organization in any lawful manner. Nothing in this Section or in any other Section of these By-Laws shall be construed as a limitation on the purposes or powers of the Corporation.

### **ARTICLE 3 MEMBERSHIP**

#### **No Members**

This Corporation shall have no members, as that term is defined in section 5056 of the California Nonprofit Corporation Law. Unless otherwise provided herein or in the California Nonprofit Public Benefit Corporation Law, any action which would otherwise require approval by a majority of all members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the board of directors. Nothing in these By-Laws shall be construed as limiting the right of the Corporation to refer to persons associated with it, who participate in any activities of the Corporation, as "members" even though such persons are not members, as defined in section 5056 of the California Corporations Code. Such persons shall be deemed to be associated persons with respect to the corporation as that term is defined in section 5332 of the California Nonprofit Public Benefit Corporation Law, and no such reference shall constitute anyone a member of this Corporation.

### **ARTICLE 4 ELECTION OF DIRECTORS**

#### **Section 1. Nomination and Election, Initial Board**

The initial founding Board shall be selected in the following manner. Seven of the nine property owner seats will be selected by the "Steering Committee" and filled by property owners, or their designated representatives, who were active on the Steering Committee that established the Pacific Palisades Business Improvement District. The one (1) PRIDE seat will be filled by a representative of the PRIDE board, and approved by the Steering Committee. The one (1) Chamber of Commerce seat will be filled by the Pacific Palisades Chamber of Commerce board, and approved by the Steering Committee.

#### **Section 2. Board Election Other Than The Founding Board**

Not less than forty five (45) days before the date set forth for the annual meeting of the Directors, the President, shall request that the Board appoint at least three (3) members as the Nominating Committee which shall include the President and at least two of the Directors exclusive of the officers of the Corporation. The Nominating Committee shall solicit nominees from the District property owners or their representatives, and conduct an election, by the board, to fill the open property owner's seats.

The one (1) PRIDE seat will be filled by a representative nominated by the PRIDE board. The one (1) Chamber of Commerce seat will be filled by the Pacific Palisades Chamber of Commerce Board.

### **ARTICLE 5 DIRECTORS**

## **Section 1. Number and Term**

The corporation shall initially have a maximum of nine (9) Directors and collectively they shall be known as the Board of Directors. The exact number of Directors shall be fixed from time-to-time by resolution of the Board of Directors. The number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these By-Laws.

Subject to the foregoing provisions for changing the number of Directors, the following seats shall be allocated to the Board of Directors.

The breakdown of Board seats shall be as follows:

Seven (7) of the seats on the Board of Directors shall be filled by property owners, or representatives of property owners, who have fully paid into the current fiscal year of the Pacific Palisades Business Improvement District;

One (1) PRIDE seat will be filled by a representative of a business doing business within the boundaries of the Pacific Palisades Business Improvement District and nominated and determined by the PRIDE board.

One (1) member of the Pacific Palisades Chamber of Commerce's seat will be filled by a member of the Pacific Palisades Chamber of Commerce, as determined by its board.

After the initial term all property owners, or their representatives, when elected or re-elected will serve three year terms. Property Owners Directors may serve two (2) terms and may serve additional terms after a one (1) year break in service.

PRIDE and Chamber Board of Directors members will serve two (2) year terms and may serve two (2) terms and may serve additional terms after a one (1) year break in service.

## **Section 2. Powers**

Subject to the provisions of the California Nonprofit Public Benefit Corporation law, and any limitations in the Articles of Incorporation and By-Laws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

## **Section 3. Duties**

It shall be the duty of the Directors to:

Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these By-Laws;

Appoint and remove, employ and discharge, and, except as otherwise provided in these By-Laws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation;

Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;

Meet at such times and places as required by these By-Laws;

Register their addresses with the Secretary of the corporation and notices of meetings mailed or emailed to them at such addresses shall be valid notices thereof.

## **Section 4. Compensation**

Directors shall serve without compensation.

### **Section 5. Restriction Regarding Interested Directors**

Notwithstanding any other provision of these By-Laws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

- A) Any person currently being compensated by the corporation for services rendered within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise.
- B) In any and all cases, a Board member who also happens to be an "interested person" shall not move, second or vote on any contract in which they a direct have a finance interest or any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person who has a direct financial interest.
- C) Board Members may move, second or vote on any contract in which the Community has a direct benefit and they may have a collateral benefit as the result of being a member of the Community.

### **Section 6. Place of Meetings**

Meetings shall be held in the Pacific Palisades Business Improvement District, City of Los Angeles, unless otherwise provided by the Board or at such place within the State of California which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held in the Pacific Palisades Business Improvement District, City of Los Angeles community shall be valid only if held on the written consent of all Directors given either before or after the meeting and filed with the Secretary of the corporation or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the Board. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so as long as all directors participating in such meeting can hear one another and the meeting is conducted and noticed in conformance with the provisions of the Ralph M. Brown Act.

### **Section 7. Regular and Annual Meetings**

Regular meetings of Directors shall be held once every other month as determined by the Board. The Board has the authority to alter the time and place of the 6 yearly meetings upon majority vote provided notification of such change is made to the Pacific Palisades Business Improvement District, City of Los Angeles and otherwise conforms to the Ralph M. Brown Act.

If this corporation makes no provision for members, then, at the annual meeting of Directors, Directors shall be elected by the Board of Directors in accordance with this Article

Meetings shall be open to the public and conducted in conformance with the provisions of the Ralph M. Brown Act.

### **Section 8. Special Meetings**

Special meetings of the Board of Directors may be called by 50% or more of the officers of the corporation including the President, Chairperson, the Vice President, the Secretary, and Treasurer or by any five (5) Directors, and such meetings shall be held at the place, within the District, City of Los Angeles, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation. Special Meetings shall be open to the public (unless it is a bone fide closed session under the Ralph M. Brown Act) and conducted in conformance with the provisions of the Ralph M. Brown Act.

## **Section 9. Notice of Meetings**

Regular meetings of the Board may be held with appropriate notice consistent with the Ralph M. Brown Act. Special meetings of the Board shall be held upon three (3) days' notice by first-class mail or forty eight (48) hours' notice delivered personally or by telephone fax or e-mail. If sent by mail or fax, the notice shall be deemed to be delivered on its deposit in the mails or on its delivery to the Director. Such notices shall be addressed to each Director at his or her address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting needs to be given to absent Directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than forty eight (48) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the adjourned meeting is held more than forty eight (48) hours from the time of the original meeting. Notices for special and adjourned meetings shall comply with the provisions of the Ralph M. Brown Act, including notice to the media as required by those provisions.

## **Section 10. Contents of Notice**

Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any Board meeting shall be specified in the notice. The notice shall comply with the provisions of the Ralph M. Brown Act.

## **Section 11. Quorum for Meetings**

A quorum shall consist of a majority of the Board of Directors. Except as otherwise provided in these By-Laws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

However, a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board. The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or By-Laws of this corporation.

## **Section 12. Majority Action as Board Action**

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation or By-Laws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

## **Section 13. Conduct of Meetings**

Meetings of the Board of Directors shall be presided over by the President of the Board, or appointed Chairperson of the Board, or, in his or her absence, by the Vice President of the corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by Roberts Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these By-Laws, with the Articles of Incorporation of this corporation, the Ralph M. Brown Act or with provisions of law.

#### **Section 14. Vacancies and Removal**

Any Board members with three (3) unexcused absences from a regularly scheduled Board meeting within a one year term of the Board may be removed from the Board and a vote of the Board is not required for this removal. Board members who miss six (6) regular Board meeting within a one year Board term, whether excused or unexcused, shall be automatically removed from the Board. Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any Director and (2) whenever the number of authorized Directors is increased.

The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law. If this corporation has no members, Directors may be removed without cause by a 2/3 vote of the Directors then in office.

Any Director may resign effective upon giving written notice to the Chairperson of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No Director may resign if the corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.

Vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these By-Laws, or (3) a sole remaining Director.

A person elected to fill a vacancy as provided by this Section shall fulfill the remaining term of the vacant office and then shall be subject to re-election or appointment as defined in this Article of these By-Laws.

#### **Section 15. Non-Liability of Directors**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

#### **Section 16. Indemnification by Corporation of Directors, Officers, Employees and Others Agents**

To the extent that a person who is, or was, a Director, officer, employee or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding. If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

#### **Section 17. Insurance for Corporate Agents**

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.



## **ARTICLE 6 OFFICERS**

### **Section 1. Numbers of Officers**

The officers of the corporation shall be a President, a Vice President, a Secretary, and a Chief Financial Officer who shall be designated the Treasurer. The corporation may also have, as determined by the Board of Directors, a Chairperson of the Board, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, or other officers. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as the President or Chairperson of the Board.

### **Section 2. Qualification, Election, and Term of Office**

Any member of the Board of Directors may serve as an officer of this corporation. Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office for two (2) year terms, with the exception of the Initial Founding Board, or until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first. Officers shall be elected individually each year at the Annual Nominations and Election meeting of the Board of Directors. A Board member shall serve two full years prior to becoming eligible for nomination as a Board officer, except for the initial formation term. Officers of the Initial Founding Board shall be elected for two (2) and three (3) year terms commencing 2016 and shall be voted in a staggered manner in the following schedule:

President - Two years with ability to have a third year by vote of the Board

Vice President - two year

Treasurer - two year term

Secretary - two year term

Thereafter, all officers shall be elected for two year terms.

### **Section 3. Subordinate Officers**

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

### **Section 4. Removal and Resignation**

Any officer may be removed, with cause, by a 2/3 vote of the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

### **Section 5. Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of Chairperson and President; such vacancy may be filled temporarily by appointment by the Chairperson, or the President in the absence of a Chairperson until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the Board shall determine.

### **Section 6. Duties of Chairperson or President**

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these By-Laws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairperson of the Board of Directors, he or she shall preside at all meetings of the Board of Directors. If applicable, the President shall preside at all meetings of the delegates. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these By-Laws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

#### **Section 7. Duties of Vice Chairperson/President**

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these By-Laws, or as may be prescribed by the Board of Directors.

#### **Section 8. Duties of Secretary**

The Secretary shall:

- A) Certify and keep at the principal office of the corporation the original, or a copy of these By-Laws as amended or otherwise altered to date.
- B) Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- C) See that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.
- D) Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or these By-Laws.
- E) Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.
- F) Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the By-Laws, the membership book, and the minutes of the proceedings of the directors of the corporation. Pacific Palisades Business Improvement District, City of Los Angeles businesses shall have similar rights of inspection as provided by action of the Directors.
- G) In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these By-Laws, or which may be assigned to him or her from time to time by the Board of Directors.

#### **Section 9. Duties of Treasurer**



Subject to the provisions of these By-Laws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

- A) Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors or delegate such responsibilities to staff;
- B) Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
- C) Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.
- D) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- E) Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore. Pacific Palisades Business Improvement District, City of Los Angeles businesses shall have similar rights of inspection as provided by action of the directors.
- F) Render to the President and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation.
- G) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- H) In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these By-Laws, or which may be assigned to him or her from time to time by the Board of Directors.

#### **Section 10. Compensation**

No Director or Officer shall receive compensation or salary for their service on the Board of Directors.

### **ARTICLE 7 COMMITTEE**

#### **Section 1. Executive/Organization Committee**

The Board of Directors may, by a majority vote of Directors, designate four (4) or more of its members (who may also be serving as officers of this corporation) to constitute an Executive/Organization Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the corporation, except with respect to:

- A) The approval of any action which, under law or the provisions of these By-Laws, requires the approval of the majority of the Board of Directors.
- B) The filling of vacancies on the board or on any committee which has the authority of the Board.
- C) The amendment or repeal of By-Laws or the adoption of new By-Laws.

D) The amendment or repeal or any resolution of the Board which by its express terms is not so amendable or repeal able.

E) The appointment of committees of the Board or the members thereof.

F) The approval of any transaction to which this corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d) (3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the Board may require.

### **Section 2. Other Committees and Task Forces**

The corporation shall have such other committees and task forces as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" committees or task forces.

### **Section 3. Meetings and Action of Standing Committees**

Meetings and action of standing committees shall be governed by, noticed, held and taken in accordance with the provisions of these By-Laws concerning meetings of the Board of Directors, with such changes in the context of such By-Law provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. Standing committees are also governed by the Ralph M. Brown Act. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these By-Laws.

## **ARTICLE 8**

### **EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

#### **Section 1. Execution of Instruments**

The Board of Directors, except as otherwise provided in these By-Laws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetary for any purpose or in any amount.

#### **Section 2. Checks and Notes**

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the President of the corporation.

#### **Section 3. Deposits**

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors so approves.

#### **Section 4. Certain Amendments**

Notwithstanding the above sections of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first directors of this corporation nor the name and address of its initial agent, except to correct an error in such statement or to delete either statement after the corporation has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

### **ARTICLE 9 PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

#### **Section 1. Prohibition Against Sharing Corporate Profits and Assets**

No member, Director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these By-Laws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed in accordance with Section 2 of this article and not otherwise.

#### **Section 2. Dissolution or Winding up of the Corporation**

The property of this corporation is irrevocably dedicated to bring about the increased provision of quality public improvements and educational, cultural, artistic, charitable, and social services within the Pacific Palisades Business Improvement District, City of Los Angeles and its surrounds for public benefit and charitable purposes. If Pacific Palisades Business Improvement District (a) shall cease to be an organization described in Internal Revenue Code sections 170(b)(1)(A)(iv), 501(c)(6) and 509(a)(1) or 509(a)(2), or (b) shall substantially abandon the charitable and educational purposes that it is organized to support, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, the BID assessment funds that are left over, must be returned to the property owners. Left over assessment monies will be returned to the City and the City will refund to the property owners. Other non-BID funds may be distributed to a nonprofit fund, foundation, or corporation that is organized and operated for bringing about the increased provision of quality public improvements and educational, cultural, artistic, charitable, and social services within Pacific Palisades Business Improvement District, City of Los Angeles Community and its surrounds for public benefit and charitable purposes and which has established its tax-exempt status under Section 501(c)(6) of the Internal Revenue Code.

**ARTICLE 10  
DETERMINATION OF MEMBERS**

If this corporation makes no provision for members, then, pursuant to Section 531(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provisions of the Articles of Incorporation or By-Laws of this corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the Board of Directors.

**ARTICLE 11  
PACIFIC PALISADES BUSINESS IMPROVEMENT DISTRICT DEFINED**

**Section 1. Definition**

The " PACIFIC PALISADES BUSINESS IMPROVEMENT DISTRICT, City of Los Angeles" includes those property owners paying into the Pacific Palisades Business Improvement District or community members who have businesses in PACIFIC PALISADES BUSINESS IMPROVEMENT DISTRICT, City of Los Angeles whose boundaries are defined in Exhibit A.

**Section 2. Exhibit A Map**

A map of the boundaries of the Pacific Palisades Business Improvement District is attached to these By-Laws as its last page.

By Laws for the PACIFIC PALISADES BUSINESS IMPROVEMENT DISTRICT

Adopted this date \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_, Secretary